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SUPPORT

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1990 AND PROGRAMME-LEVEL ACTIVITIES

Management Development Programme

SUMMARY

The present report is submitted in response to Governing Council decision 90/37 of 20 June 1990.

The operational activities of the Management Development Programme began towards the end of 1988. Section I of the present report covers the period up to 1 January 1991. By that time, more than 90 Governments had requested support from the United Nations Development Programme under the Management Development Programme and projects had been approved in 32 countries. Section II discusses the evaluation of the management development programme. Section III provides recommendations for the programme with regard to policy and operational matters. The annex contains examples of Management Development Programme activities under way by region.

INTRODUCTION

1. At its thirty-fourth session (1988), the Governing Council established the Management Development Programme (MDP) with a facility of $60 million, and laid down its guiding principles in paragraph 10 of decision 88/31 of 1 July 1988. In decision 89/39 of 30 June 1989, the Council took note of revised guidelines for the programme and requested the Administrator to continue to implement MDP on the basis of decision 88/31. The Administrator submitted a report on MDP to the Governing Council at its thirty-seventh session (1990). In its decision 90/37 of 20 June 1990, the Council, inter alia, requested the Administrator to arrange an evaluation of the programme and to submit its findings together with his report to the Governing Council at its thirty-eighth session (1991). In addition, the Council decided in decision 90/34 that UNDP should focus on building and strengthening national capacity in the area of management development as well as five other areas of focus.

I. IMPLEMENTATION OF THE MANAGEMENT DEVELOPMENT PROGRAMME

2. The operational activities of MDP began towards the end of 1988. By 1 January 1991, more than 90 Governments had requested support under MDP. Programming had begun in 77 countries. Project activities, fully or partially financed from MDP funds, had been approved in 32 countries. An estimated 60-65 countries can be expected to have approved project activities by the end of 1991.

3. The Governing Council laid down the principle that there be a fair regional balance in the use of programme funds and that no more than 50 per cent of the resources be allocated to any one region. Thus, the Administrator has set the following tentative targets for each regional bureau: Regional Bureau for Africa (RBA): 45-47 per cent; Regional Bureau for Asia and the Pacific (RBAP): 23-24 per cent; Regional Bureau for Arab States and Europe (RBASE): 14-16 per cent and Regional Bureau for Latin America and the Caribbean (RBLAC): 14-16 per cent. The total of MDP funds committed by 31 December 1990 for programme development and project activities was $29.6 million. Latin America and Asia had the highest commitments against foreseen resources. Increased programming efforts carried out in 1990 in other regions, particularly in Africa, can be expected to result in a significant increase in commitments for countries in those regions during 1991. Most of the MDP allocation of $60 million can be expected to be committed by the end of 1991. It will follow the pattern of distribution indicated above.

4. The programming under MDP and its contributions to projects has also helped Governments to attract resources from other donors for their public sector management improvement programmes. Joint and parallel financing with MDP amounted to $14.8 million at the end of 1990. There are good prospects for increasing future contributions to programmes initiated under MDP.

5. As decided by the Governing Council, the programme is available to all countries wishing to participate. To reconcile this principle with the the priority concern of UNDP for low-income countries, particularly the least developed

countries (LDCs), the following line of action has been chosen: all countries requesting support have been given help with needs assessments and the preparation of programmes, while project funds have been allocated with a clear priority for low-income countries.

6. MDP came into existence as a response to the concerns of the Organization to help developing countries achieve sustainable improvements in public sector management and to upgrade human resource development and long-term management concerns in UNDP programmes. The stage was set for MDP by developments that occurred during the late eighties. It was a period when many countries, in different political circumstances, undertook structural adjustment programmes. These called for reduced public spending, greater efficiency in economic management, reduced reliance on central planning, increased decentralization of responsibility for development, and greater reliance on market forces and the productive capacity of the private sector. The role of MDP in this context was to help Governments to build the capacity to carry out the required reforms. The actual focus of each programme depends on the priorities of Government and needs assessments. The table summarizes the main areas of focus of approved and pipeline projects and programmes in 77 countries. Most programmes have components in several fields.

7. In implementing MDP, UNDP has applied a programme approach as recommended by General Assembly resolution 44/211 of 22 December 1989. The reforms being undertaken or contemplated in many countries imply systematic public sector changes. This requires a programmatic design of mutually supportive components. UNDP has also stressed the need for a long-term perspective and for activities that are sustainable and well internalized in the host country's administration. MDP is increasingly using participatory approaches to programming (sometimes referred to as "process consulting"). Systemic change requires forms of cooperation which offer more than prescriptive advice and individual skills training.

8. When deciding about projects, UNDP pays particular attention to the following criteria:

(a) The availability of a broad needs analysis and the systemic scope of the proposed programme;

(b) The existence of a policy framework for management improvement and high-level political commitment to it;

(c) The effective assignment of responsibility for change management and close links between political and administrative organs with commitment to change;

(d) The involvement of the country's own institutions in capacity-building;

(e) The extent to which the design ensures the sustainability of efforts, including twinning arrangements with appropriate institutions;

(f) A project's linkages to other externally supported activities and its role in strengthening the coordination of assistance;

Main fields of concentration in MDP programmes, by region

Area of focus	RBA	RBAP	RBASE	RBLAC	Total
	(Number of countries in each region)				
Streamlining of government machinery, including creation or strengthening of institutions for administrative reform and units for information management and organizations and methods	12	3	7	14	36
Civil service reform, including issues of remuneration	15	9	6	12	42
Human resources management, including personnel management gender concerns, management education and training	24	13	14	15	66
Financial management	13	9	8	7	37
Strengthening capacity for macro economic analysis and policy formulation	12	4	7	6	29
Decentralization and local government	11	9	6	12	38
Building institutional capacity for interface with public enterprises and the private sector	16	10	10	10	46

(g) The extent to which the resources of MDP can be deployed as seed money;

(h) As the fifth programming cycle approaches, the willingness of countries to commit IPF-funds is given increased attention.

9. The catalytic role of MDP is reflected in these criteria, especially (f), (g) and (h), which link MDP resources to broader UNDP inputs. In applying these criteria, the MDP is promoting, in line with 90/34, the mainstreaming of management development in UNDP country programmes.

10. While MDP has primarily focused on major management improvement programmes, it has also enabled UNDP to provide immediate responses to management requirements in new political situations. This applies particularly to Eastern Europe. In Poland, for example, MDP has not only sponsored needs assessments and the planning of

long-term management improvement, but has also contributed limited funds for high level advisory services, seminars and project activities.

11. In carrying out MDP, UNDP cooperation with United Nations specialized agencies and multilateral financial institutions has increased gradually. Cooperation and coordination is particularly close with the World Bank, but it has expanded also with the International Monetary Fund (IMF), the United Nations Department of Technical Cooperation for Development (UNDTCD), the United Nations Centre on Transnational Corporations (UNCTC), the International Labour Organisation (ILO), the United Nations Industrial Development Organization (UNIDO), and the United Nations Conference on Trade and Development (UNCTAD).

12. The responsibility for the execution of the approved projects is as follows:

Government	8
Office for Project Services (OPS)	12
DTCD	7
ILO	1
The World Bank	3
UNIDO	1
Pending	2
	34

II. EVALUATION OF THE MANAGEMENT DEVELOPMENT PROGRAMME

13. As requested by the Governing Council, UNDP has commissioned an evaluation of MDP. It took place in November and December 1990. As a contribution to the evaluation, a special study looked into the gender aspects of the programme. Summaries of the evaluation reports as well as the full reports are available for the information of the Council. The recommendations that follow take them into account.

III. RECOMMENDATIONS

Guidelines for the Management Development Programme

14. MDP should be continued during the fifth programming cycle, based on the principles in Governing Council decision 88/31. The guidelines have proved serviceable and relevant. They should be retained. Within this general framework, the following considerations will give focus to the future of the programme.

Focus of programme

15. The programme will continue to be available to all countries wishing to participate. However, the emphasis will be on countries whose leadership is committed to major reforms calling for substantial institutional capacity-building. This focus, as recommended in the evaluation, will allow for a certain concentration of effort.

16. The evaluation considered giving the programme a more focused approach, as requested by the Governing Council. An a priori determination of areas of focus was rejected because that would unduly limit the possibility of identifying management improvement strategies based on government priorities and needs assessments. The multisectoral approach of the programme should also be pursued. It is envisaged that the programme will increasingly specialize in certain themes where MDP is gaining experience that can be shared with new countries and with other organizations. Examples of such themes are transition from centralized planning; decentralization; civil service reform, including issues of incentives; and government institutions for management improvement. Efforts to build experience and to develop constructive approaches in such areas will give the programme greater focus and enhance its potential usefulness to developing countries.

The approach and methodology of the Management Development Programme

17. MDP should continue to apply a programme approach and assist Governments in designing strategic programmes for management improvement based on comprehensive surveys. The evaluation uses the term "strategic management", meaning a combination of mutually supportive lines of action to achieve efficiency and productivity gains. This approach seems solid and should be pursued. As recommended in the evaluation, methodological guidelines will be developed to promote more systematic needs assessment and provide guidance for programme development.

18. Another set of methodological issues concerns the internalization of the programming process and the long-term sustainability of recommended activities. One important way of promoting these goals has been the process consulting approach, which aims at making the Government the owner of the outcome of the programming process. Under MDP, UNDP will continue to use and promote this approach in its programme generally.

Women in management

19. As prescribed in the guidelines, MDP has paid attention in its planning to the particular needs and underutilized potential of women in developing economies. The evaluation points out that more can be done to promote the interests of women. Based on the evaluation, a special action plan will be formulated to give the efforts of MDP greater weight and consistency. DTCD, which provided the evaluator for this aspect of the programme, will help to develop the action plan.

The Management Development Programme network

20. During its first two years of operations, the MDP Unit has started to build a network of senior experts and institutions. As stressed in the evaluation, it is important to continue to develop this network. In addition to conducting reconnaissance and programming missions, they should also be increasingly involved in follow-up activities such as monitoring and evaluations and in research and policy development based on the growing experience of MDP. Special efforts are now being made, as recommended by the evaluation, to increase the proportion of women and third world experts in this MDP network.

Sharing and comparing experience

21. After the initial launching phase of MDP, it is now important for UNDP to systematize the experience gained and to apply and publicize the lessons learnt. One important purpose will be to give practitioners and experts the opportunity to share and compare experiences from different countries through written material, workshops, conferences, study visits and the building of networks between MDP-supported programmes. Much of this work should be done on a regional basis in cooperation with regional institutions. One workshop planned for 1992 will deal with capacity-building in countries in transition from a centrally planned economy.

The Management Development Programme and United Nations agencies

22. During the initial phase of MDP, it was important for UNDP to acquire experience, to learn from its own activities and to build its own capacity. Only in this way could the programme find a distinct identity, stressing the programme approach and the idea that UNDP should help Governments develop broad-based management improvement strategies which could also attract support from other sources. For the same reasons, several projects in the initial phase of MDP have been executed by OPS. From the beginning, UNDP has worked closely with the World Bank in carrying out MDP. Step by step, the cooperation with other agencies within the United Nations system has increased. This cooperation will continue to expand as recommended by the evaluation.

Programme execution

23. In line with general UNDP policy, and as advocated by the evaluation, national execution is now the preferred arrangement for project implementation. Only when national execution has been considered and ruled out will other modalities be chosen. In the latter case, responsibility for execution will normally be given to specialized agencies. OPS execution may be appropriate, particularly for multisectoral programmes requiring implementation of programme components by United Nations agencies, multilateral financial institutions and private organizations.

24. The evaluation stressed the importance of continuity in programming and implementation and active monitoring during the execution of project activities. Staff members and consultants who work on needs assessments and programme design should also advise Governments and UNDP during the implementation of programmes.

Administrative arrangements

25. The Regional Bureaux and the Field Offices will continue to be responsible for the administration of the programme within UNDP, while professional support will be provided by the MDP Unit in the Bureau for Programme Policy and Evaluation (BPPE) which will retain an overall responsibility for MDP. This arrangement offers a strengthening of the professional competence for programming and monitoring without reducing the responsibility of the operational units i.e., the Regional Bureaux, thus providing for an efficient integration of programmes and experience in the mainstream of UNDP activities.

Financing and fund-raising

26. During its initial phase, MDP was developed on the basis of its facility of $60 million, which has provided funds for programme formulation and seed money for project activities, as well as administrative costs. The Special Programme Resources (SPR) earmarking for MDP is $40 million in the fifth programming cycle. Funds for programme formulation will need continued priority, considering the principal mandate of the programme: to help Governments develop strategic programmes for management improvement. The major part of available MDP funds will be used, therefore, as catalytic contributions to broader programmes that must often rely heavily on financing from other sources, particularly IPF or joint and parallel financing with bilateral donors or multilateral financial institutions. UNDP should use scarce MDP funds prudently, with priority for low-income countries strongly committed to major reforms.

27. In helping raise the funds required for larger programmes of management improvement, UNDP will systematically advise Governments to involve other donors in the programming of MDP activities.

28. With fewer funds of its own, there will be greater clarity about the role of MDP: it will not be primarily a source of funds for projects. Instead, it will have the task of helping Governments to identify and formulate programmes for management improvement, as well as assisting the fund-raising efforts of Governments.

Annex

SELECTED MDP ACTIVITIES UNDER WAY BY REGION

I. UGANDA

In connection with the rehabilitation of the country, the Government of Uganda is undertaking urgent improvement of the operational effectciveness and productivity of its public service while reducing budgetary deficits.

In this context, MDP has supported three interrelated initiatives:

(a) A Public Service Review and Reorganization Commission, which has recommended a strategy for dealing with civil service size, organizational structure, working methods and procedures, management, decentralization, accountability, morale and performance;

(b) A study on incentive payments made to civil servants by donors, and a proposal to rationalize and in the long run reform these payments in order to create effective working conditions for civil servants; and,

(c) A proposal on the creation of a Uganda Institute of Management to coordinate and promote management development in the country as a joint responsibility for Government and enterprises.

II. MONGOLIA

The Government of Mongolia is moving towards a more open, market-oriented economy. MDP is supporting this major change through institutional capacity-building in four areas:

(a) Human resource development for diversified international trade and investment promotion;

(b) State-owned enterprise restructuring;

(c) Public administration reform and professionalization; and

(d) Strengthening of national policy formulation capabilities.

MDP is contributing $1,244,000 whilst the IPF is providing $300,000. The project is located at the Institute of Administraiton and Management Development under the Council of Ministers.

III. TUNISIA

In 1987, the Tunisian Government adopted a comprehensive package of policy reforms and institutional changes designed to address economic imbalances. An MDP

programme with $900,000 of MDP funds is designed to address institutional constraints to the implementation of the policy.

Six sub-projects focus on improving management efficiency and managerial skills in key ministries, information systems, and reinforcing project planning, monitoring and evaluation. They also comprise streamlining of business creation and investment procedures. A decentralization component targets agriculture as the pilot sector. The programme is government-executed under a steering committee chaired by the Government's Secretary General.

The French and Canadian Governments support projects identified by the Government in cooperation with the MDP programming mission.

IV. GUYANA

In Guyana, MDP has helped to develop a comprehensive three-year technical assistance programme in support of the country's Economic Recovery Programme for the period 1989-1991. The proposed programme consists of 31 projects with an estimated cost of over $20 million covering a wide scope of activities but placing major emphasis upon reinforcing the management capabilities of the public sector. MDP contributed $1.3 million for the first stage of the programme, which focused on the strengthening of macroeconomic and financial management and the privatization of enterprises. At present, the seed-money contribution of MDP has been matched by over $6 million from the World Bank, the Inter-American Development Bank and the Caribbean Development Bank. Multilateral and bilateral agencies have pledged an additional $18 million for activities within the programme.